

LEGISLATIVE AUDIT COMMISSION



Review of
Department of State Police
Two Years Ended June 30, 2012

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**REVIEW: 4403
DEPARTMENT OF STATE POLICE
TWO YEARS ENDED JUNE 30, 2012**

FINDINGS/RECOMMENDATIONS - 14

**ACCEPTED - 8
IMPLEMENTED - 5
UNDER STUDY - 1**

REPEATED RECOMMENDATIONS - 7

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 8

This review summarizes the auditors' report of the Department of State Police for two years ended June 30, 2012, filed with the Legislative Audit Commission April 11, 2012. The auditors conducted a compliance examination in accordance with State law and *Government Auditing Standards*.

The Department of State Police was established January 1, 1970. The Department's responsibility is to maintain order as mandated by statute, while safeguarding the rights and privileges of all citizens of the State. The Department is divided into four divisions: Operations, Forensic Services, Administration, and Internal Investigation.

The Division of Operations is comprised of a network of 21 district headquarters and seven investigative zone offices located throughout the State, and provides a full range of services to Illinois' citizens and law enforcement community. The Division of Forensic Services provides evidence collection and scientific evidence analysis to assist with the identification and prosecution of offenders, or exoneration, for the Department and other state, federal and local law enforcement agencies. The Division of Administration carries out diverse administrative functions supported by the Logistics Bureau, the Administrative Services Bureau, the Firearms Services Bureau and the Bureau of Identification. The Division of Administrative Technology Services encompasses the Program Administration Bureau and the Information Services Bureau which are responsible for information technology, data collection/analysis, information sharing, and knowledge development. The Division of Internal Investigation safeguards the integrity of the Department.

The Division of Operations works daily to safeguard the public by reducing the number and seriousness of vehicle crashes. Troopers regularly patrol over 138,000 miles of roads and highways. In FY12, troopers issued over 218,000 citations for impaired driving, speeding and not wearing seatbelts. The Division of Forensic Services provides expert forensic analysis and witness testimony. Crime Scene Investigators process evidence from crash and crime scenes and respond to calls for crime scene processing 365 days a year, 24 hours a day. The Department's forensic science laboratory system is the third largest in the world. The Division of Internal Investigation opened 481 cases into

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misconduct or wrongdoing by officials, members or employees of any agency, board or commission in the executive branch of Illinois government in FY12, and conducted three ethics/integrity events.

Jonathon Monken was the Acting Director of the Department during the first 7 ½ months of the audit period. Patrick Keen served as Interim Director for six weeks, then Hiram Grau was appointed Director on April 11, 2011. Mr. Grau continues to serve as Director. Although not previously associated with the Department, Mr. Grau has served in law enforcement since 1981.

The following presents the average number of full-time employees by function for the fiscal years ended June 30:

	FY12	FY11	FY10
Operations	1,720	1,868	2,027
Internal Investigations	52	49	53
Forensics	458	501	474
Administration	196	208	220
Academy	28	30	33
Shared Services	20	21	21
Special Funds	386	326	322
TOTAL	2,860	3,003	3,150

The following table presents a comparison of activities and performance for the fiscal years ended June 30:

	FY12	FY11	FY10
Number of Impaired Driving Citations	9,919	10,597	11,112
Number of Seatbelt Citations	54,862	80,7196	105,588
Number of Speeding Citations	153,241	178,320	201,078
Number of Criminal Arrests from investigations	7,158	6,010	6,138
Number of Investigative Cases Referred to prosecution	6,198	2,600	3,330
Number of Crime Scene Cases Responded to Within One Hour	679	629	n/a
Number of DNA Cases Worked	4,982	5,225	5,284
Number of DNA Offender Samples Worked	29,589	30,736	33,025
Number of Forensic Cases Worked	101,076	104,043	111,669

Expenditures From Appropriations

Appendix A presents a summary of appropriations and expenditures for FY12, FY11 and FY10. The General Assembly appropriated a total of \$401,174,200 to the Department in FY12. Total expenditures were \$335,185,240 in FY11, compared to \$346,110,063 in FY12, an increase of \$10.9 million, or 3.2%.

In FY12, the Department received individual General Revenue Fund appropriations designated for specific purposes rather than lump sum appropriations as in FY11 and FY10.

Approximately 68.3% of the Department's appropriations were from the General Revenue Fund. The increase in expenditures in FY12 was attributed to \$12.9 million in spending from the State Police Operations Assistance Fund related to salary expenditures. The decrease of \$2.8 million in the Police Vehicle Fund was due to fewer vehicles being purchased. The \$1.7 million increase in the Federal Projects Fund was due to a higher volume of grant programmatic activity. Lapse period expenditures were \$21.8 million, or 6.3%, in FY12.

Cash Receipts

Appendix B provides a summary of the Department's cash receipts for FY12, FY11 and FY10. Total cash receipts were almost \$59.8 million as of June 30, 2012, compared to \$53.2 million for FY11, an increase of \$6.6 million, or 12.4%. The increase in receipts is due to an increase in federal grants of \$3 million, and an increase of \$3 million in the amount of money seized during criminal cases reflected in the State Asset Forfeiture Fund and the Federal Asset Forfeiture Fund.

Property and Equipment

Appendix C summarizes the changes in property and equipment. The beginning balance as of July 1, 2011 was \$285,335,416, and the ending balance was \$281,907,779 as of June 30, 2012, a decrease of \$3.4 million, or 1.2%. Of the ending balance, approximately \$209.6 million was in equipment; \$62.5 million in buildings and building improvements; \$8 million in capital leases; and the remaining \$1.7 million in land and land improvements.

Accounts Receivable

According to the audit report, net accounts receivable of the Department at June 30, 2012 was \$2.4 million compared to \$2.9 million in FY11. The vast majority of net receivables are current and due to the Road Fund for overweight fines.

Status of Previously Conducted Program/Management Audits

Division of Forensic Services

The management and program audit of the State Police's Division of Forensic Services was released in March 2009 and contained 16 recommendations. As of June 30, 2012, nine of the audit's recommendations were implemented and seven were partially implemented. The partially implemented recommendations are as follows:

- #1 Develop a comprehensive plan to address the environmental issues at the forensic labs.
- #2 Take steps necessary to determine whether all fines are being collected and the funds submitted to the Department.
- #3 Fully utilize the funds appropriated by the General Assembly for the Division of Forensic Services, including the reduction of backlogs, rather than allowing the funds to be transferred or to lapse.
- #5 Conduct a formal study of appropriate staffing levels for DFS.
- #7 Develop a formal plan for reducing or eliminating backlogs of forensic services cases.
- #10 Use Quality Assurance Questionnaire to obtain feedback from user agencies.
- #12 Ensure investigations into allegations of serious negligence or misconduct are conducted by an external independent entity.

Firearm Owner's Identification Card Act

The management audit of the State Police's Administration of the Firearm Owner's Identification Card Act was released in April 2012 and contained 12 recommendations. As of June 30, 2012, two of the audit's recommendations were implemented, six were partially implemented, and four were repeated. The partially implemented and repeated recommendations are as follows:

- #1 Update the FOID Card Program Policy and Procedures Manual, provide and document formal training to Firearms Services Bureau staff, and update administrative rules relating to the FOID Card Act.
- #2 Work with the Circuit Courts and Circuit Court Clerks to ensure that the necessary prohibiting mental health information is submitted to ISP.

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- #3 Work with DHS and the hospitals, nursing homes, clinicians, and other entities required to report prohibiting mental health information to the DHS-FOID system.
- #4 Ensure that information reported to the National Instant Criminal Background Check system is submitted completely, accurately and timely, and updated as necessary.
- #6 Work with vendor to ensure the FOID cards are forwarded to the correct mailing address and ensure enough customer service representatives are available to answer applicants' questions about the FOID card.
- #8 Identify FOID applications that are not being processed timely.
- #9 Maintain procurement documentation.
- #10 Approve or deny FOID card applications within 30 days.
- #11 Ensure that FOID card program numbers reported in the Annual Report are accurate and reliable.
- #12 Evaluate staffing needs and determine whether to hire additional staff to assist with the FOID card process instead of using overtime.

Accountants' Findings and Recommendations

Condensed below are the 14 findings and recommendations presented in the audit report. There were seven repeated recommendations. The following recommendations are classified on the basis of updated information provided by Hiram Grau, Director, Illinois State Police, received via electronic mail on September 23, 2013.

Under Study

11. Amend policies to require all Code employees to maintain time sheets in compliance with the State Officials and Employees Ethics Act.

Finding: The Illinois State Police (Department) did not maintain time sheets in compliance with the State Officials and Employees Ethics Act.

The Department required Code employees to submit time sheets during the examination period; however, the time sheets did not document the time spent each day on official State business to the nearest quarter hour.

Department personnel stated that the Department is using outdated timekeeping systems. The Public Safety Shared Services Center (PSSSC) has informed the Department that a new timekeeping system is being developed. The Department must work with the different

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unions to develop an approach that is accepted by the different collective bargaining agreements.

Updated Response: Under study. The ISP has formed a committee to evaluate options to implement the recommendation.

Accepted or Implemented

- 1. Continue to strengthen controls over the recording and reporting of State property and equipment by reviewing inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. Also, ensure all equipment is accurately and timely recorded on property records and properly valued and that quarterly property verifications are completed as required. In addition, develop procedures to ensure the safe disposal of information as required by the Personal Information Protection Act. (Repeated-2002)**

Finding: The Illinois State Police (Department) did not exercise adequate control over the recording and reporting of its State property and equipment. Auditors noted the following during testing:

- The Department did not update their inventory records within 30 days of acquisition, change, or deletion of equipment items. Twenty-three of 60 items, totaling \$306,631, were added to Department inventory records between three and 177 days late. In addition, 18 of 60 items, totaling \$127,372, were deleted from Department inventory records one to 196 days late and one of 60 vouchers, totaling \$27,354, had items that were not added to the Department's inventory system. The Department stated items were not added or removed timely due to oversight.
- The Department did not maintain documentation to support the cost of equipment added to their inventory records for four of 60 items tested.
- The Department was not able to locate five of 60 property items tested. The Department stated some of the items were sent to surplus without completing proper paperwork and some items were deployed without being tagged.
- The Department failed to require its employees to complete quarterly property verification sheets for 30 of 60 sheets tested. The Department stated the failure to complete the verification sheets was an oversight.
- Two of 19 Accounting for Leases-Lessee Forms (SCO-560s) listed fair value amounts that did not match the fair value amounts listed on the CMS approval form. The Department stated that the SCO-560 forms were not utilized until FY10 and were not checked for accuracy.

Accepted or Implemented – continued

- Forty-three of 88 items listed as lost or missing could possibly have confidential information stored on them. Department personnel stated they did not keep track of what information would have been stored on those items.

Response: Accepted. The ISP will work with the Public Safety Shared Services Center (PSSSC), property managers, and property custodians to ensure paperwork is processed in a timely manner to ensure property is added to inventory within the time allowed. The ISP will also work with the PSSSC to ensure property records are complete and accurate. Furthermore, the ISP will work with the PSSSC to ensure SCO-560 forms are completed in accordance with the SAMS procedures. The ISP property managers and property custodians will be informed of their roles and responsibilities to account for all property as well as disposed of in accordance with all applicable rules and laws. The ISP continues to struggle with the effects of the central property control unit being located outside of the agency within the PSSSC therefore delaying processing of paperwork as well as removing property control subject matter experts from the agency.

Updated Response: Accepted. The ISP continues to work with the Public Safety Shared Services Center (PSSSC) to comply with the recommendations. The ISP will continue to work to strengthen controls over recording and reporting of state property.

2. Discontinue the practice of paying more than the employee agreement, or implement procedures to retain supporting documentation for all amounts to be reimbursed by the Tollway.

Finding: The Department could not provide support for payroll expenditures as required under a contract dated April 20, 2007 with the Tollway.

Under the contract, the Tollway is responsible for reimbursing the Department for the salaries of Department employees assigned to patrol interstate tollways on a full-time basis. The Department must supply the Tollway with adequate documentation including payroll vouchers to support the cost of performing police services. Each Department employee assigned to the Tollway was paid \$16 more per pay period than the salary amount per the employee agreement as a uniform and food per diem. However, the Department does not maintain and could not provide the Tollway with adequate support to justify the additional pay, which was implemented in the 1970s.

Response: Implemented. The practice of paying ISP Tollway employees an additional \$16 per pay period was discontinued December 1, 2012.

3. Keep accurate and detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. (Repeated-2010)

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Finding: The Department did not accurately record and report accounts receivable noted on the Quarterly Reports.

During testing, auditors noted 13 of 112 Reports were inaccurate and did not agree to the support provided by the Department. Differences were noted in accounts receivable amounts (i.e. payments, adjustments, beginning and ending balances).

Department personnel stated errors were noted due to changes in staffing and estimates used because of an error made during the posting of payments.

Updated Response: Accepted. The ISP continues to meet with PSSSC to discuss concerns with accounts receivable reporting. However, the PSSSC has indicated they are still unable to adequately staff accounts receivable.

4. Maintain sufficient documentation to support amounts reported on Agency Fee Imposition Reports and timely submit those reports to the Comptroller.

Finding: The Department could not provide sufficient documentation to support the amounts reported on its Agency Fee Imposition Reports prepared for FY11 and FY12. The FY11 Report was submitted to the Comptroller 15 days late.

The Department's Reports are prepared by the Public Safety Shared Services Center (PSSSC), which is housed at and is a part of the Illinois Department of Corrections. The DOC contracted with an outside vendor to assist in preparing and reviewing GAAP and financial statements for DOC and the related agencies. The contract is for three years with a three-year renewable option for a total of \$500,000.

Department personnel stated due to the use of more than one receipt system, timing differences between the systems, and lack of headcount, the Department was unable to reconcile the number of fees collected to the revenues generated between all systems. The number of fees collected was estimated based on the total fees reported and the authorized fee. The Department also stated the late filing of the Fiscal Year 2011 report was due to key personnel leaving the PSSSC.

Updated Response: Accepted. The ISP continues to meet with PSSSC to discuss concerns with Fee Imposition Reporting.

5. Prepare complete and accurate reports and maintain the underlying support to substantiate the information reported and file them with the Secretary of State and the Office of the Governor by January 1 of each year. Also, file corrected workforce reports with the Secretary of State and the Office of the Governor within 30 days of release of the report.

Accepted or Implemented – continued

Finding: The Department submitted inaccurate workforce reports during the examination period. The reports submitted for FY10 and FY11 used data that was inconsistent with headcount data as well as salary data provided by the Department

Department personnel stated these reports and the source documentation contained discrepancies due to personnel assignments, leave of absences, and retirements of those who previously prepared the reports.

Updated Response: Implemented. In December 2012, the EEO staff implemented an improved process to ensure the accuracy of future Agency Workforce Reports.

6. Strengthen procedures and allocate necessary resources to properly report and fully pursue collections on delinquent accounts receivable. Further, refer all eligible delinquent accounts to the Comptroller's Offset System.

Finding: The Department did not aggressively pursue the collection of accounts receivable and did not properly refer delinquent accounts receivable to the Comptroller's Offset System.

The Department is owed money from various individuals and companies for items such as drug fines, over-dimensional load police escorts, property vehicles, forfeited items and other miscellaneous items. Auditors tested ten receivable accounts with a balance of \$100,501 and noted two accounts, totaling \$1,680 were paid off as of June 30, 2012. Of the remaining eight accounts, five had balances greater than \$1,000 and three had balances less than \$1,000. The last time the Department attempted to collect for these eight accounts ranged from October 31, 2007 through July 21, 2011.

Department personnel stated the write-offs have not been accomplished due to shortage of staff. The position responsible for write-offs has been vacant since 2008.

Response: Collection of delinquent accounts was transferred to the PSSSC within the accounts receivable function. The ISP will work with the PSSSC to ensure the agency has provided sufficient documentation to the PSSSC and the accounts are being worked in accordance with all applicable rules and laws.

Updated Response: Accepted. The ISP continues to meet with PSSSC to discuss concerns with collection of accounts receivable. However, the PSSSC has indicated they are still unable to adequately staff accounts receivable.

7. Develop and implement a project management framework and system development methodology to provide adequate oversight of new computer system developments, to include at a minimum:

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- feasibility studies and cost benefits analysis;
- approval process for initiating system development;
- change control procedures for new system developments;
- appropriate documentation required for each phase of the development life cycle including the development of system, operations, and user manuals;
- user training;
- software and hardware specifications;
- general and detail design specifications;
- testing requirements, including requirements for user and programmer testing;
- project reviews including periodic 'milestone' reviews and post-implementation reviews; and
- contracting procedures including the requirements for outlining in detail expected project deliverables including system components, source code, and adequate documentation; project timeframes; and maximum hours and expense by phase.

Additionally, continuously monitor compliance with system development requirements and project management requirements to ensure success of the project. (Repeated-2010)

Finding: The Department did not have an adequate project management framework, including a systems development methodology, to ensure adequate control over computer system development activities.

In the previous examination auditors identified specific deficiencies with two major systems. During the audit period, the Department still had not developed a project management framework or tools to help ensure projects meet the State's goals and objectives. In addition, a comprehensive system development methodology to provide detailed guidance over computer system developments did not exist.

During the audit period, the Department had worked on three projects; however, there were no formal and documented requirements to assist in the planning, development, testing, implementation, and project management.

Department officials stated subsequent to completion of the last audit, ISP implemented a basic project management structure to begin addressing the shortcomings cited in the previous audit.

Updated Response: Accepted. The ISP has implemented a basic Systems Design Methodology and Project Management Methodology. Projects are assigned a project manager and are required to have a project plan with defined phases and measurable deliverables. Projects are tracked and monitored for adherence to a set schedule, budget,

Accepted or Implemented – continued

and resource allocation. Systems design and development are measured and tested against the requirements.

- 8. Review the policies/procedures for protecting confidential information, focusing on security through proper application security settings, storage, disclosure, redaction, and encryption procedures. Also, finalize projects to install automatic encryption software on all laptops, as well as the project to secure and encrypt confidential data transmitted through the network.**

Further, complete a risk assessment to evaluate the computer environment and data maintained to ensure adequate security controls have been established. Comply with the Identity Protection Act and Department policy and develop a Statement of Purpose and provide training to staff on protecting confidential information. (Repeated-2010)

Finding: Although some progress had been made since the prior audit, the Department still did not maintain adequate safeguards over the confidential information. During testing, auditors noted the Department:

- Did not have a mechanism in place to ensure electronically transmitted information was secured or encrypted, other than LEADS information. The transmittal of unsecured confidential information puts the information at the risk of unauthorized disclosure from malicious or inadvertent acts.
- Had not completed a risk assessment of its computing resources to identify confidential or personal information to ensure such information was protected from unauthorized disclosure.
- Had not developed a Statement of Purpose or provided training to staff as required by the Identity Protection Act and Department policy.
- Had not finalized deployment of encryption software on all laptops.

Department officials stated although deployment of encryption on all laptops is in progress, limited resources (staff and fiscal) prevented addressing this issue from being initiated until FY12. Those same limitations have restricted ISP's ability to address the other issues.

Updated Response: Accepted. The ISP acknowledges the need and importance of keeping sensitive and confidential information secure. The Department is implementing encryption software for laptops. The Department conducted a system-wide security risk assessment. Numerous issues were identified and rectified. This risk assessment will be repeated periodically to identify and resolve security vulnerabilities. Currently, the

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Department's security area needs more staff to adequately protect our information assets. In addition, the Department needs funding to procure and implement a modern Security Authentication and Authorization tool.

9. Enhance policy to ensure adequate provision for computer system changes to be initiated, planned, developed, tested, and implemented in a controlled environment. Specifically, enhance policy to provide procedures and requirements for:

- Design and technical analysis documents and approval;
- System testing, test scripts, and approval;
- User testing, test scripts, and approval;
- Requesting and receiving approval to migrate changes into production; and
- Segregation of duties between individuals requesting changes, programming changes, testing changes and moving changes to production.

Additionally, ensure semi-annual reviews of change management practices are performed by the Office of Inspections and Audit as required by the Department's policy.

Finding: The Department's change management policies and procedures did not ensure all changes were initiated, planned, developed, tested, and implemented in a controlled environment. In addition, programmers developing and making changes to computer systems had access to the production environment and the capability to implement changes.

Auditors reviewed 25 changes performed during the audit period and noted the following:

- At least seven changes were requested, programmed, tested and installed by the same individual.
- 10 changes indicated testing was performed prior to the submission of a change request.
- Documentation detailing planning, design, and/or technical analysis, as well as associated approvals, was not included with the changes.
- Documentation detailing testing performed and associated approvals was not included with the changes.
- Documentation indicating changes were approved to be moved to production was not included with the changes.

Additionally, the policy required the Office of Inspections and Audit (OIA) to perform semi-annual reviews of the change management practices and provide management any findings and recommendations resulting from the review; however, the Department indicated such reviews were not performed during the audit period.

Accepted or Implemented – continued

Department officials stated the practices employed are the result of (1) staffing levels insufficient to separate all the duties and (2) previous determination that documentation collected was sufficient.

Updated Response: Accepted. The ISP acknowledges the need for change control and separation of duties. However, current staffing levels preclude the Department from fully complying with the recommendation. The Department periodically reviews change management practices and improves them where possible.

10. Ensure all interagency agreements are approved by all authorized signers prior to the effective date of the agreement and adhere to all reporting requirements. (Repeated-2010)

Finding: The Department did not have an adequate process to monitor interagency agreements. Auditors noted the following deficiencies during a review of 14 agreements:

- Three interagency agreements were not signed by all necessary parties before the effective date. The agreements were signed between two and 42 days late.
- For one interagency agreement, the Department did not submit quarterly progress reports to the grantor.

Department personnel stated the agreements were not signed timely due to general oversight.

Updated Response: Implemented. The ISP identified a single person/position within the Division of Operations to track each Memorandum of Understanding and Interagency Agreement for the Division. The individual will ensure documents are approved by the Department's Fiscal and Legal Offices before final review and approval by the Director's Office. Work unit commanders were instructed to submit agreements in a timely manner to ensure they are processed for review and approval prior to the prescribed effective date. The tracking mechanism will monitor submission and approval dates, as well as agreement effective and termination dates.

12. Comply with the Missing Persons Identification Act by uploading the information to the State and federal databases within the required time frames. (Repeated-2010)

Finding: The Department did not comply with the Missing Persons Identification Act. Auditors noted the following:

- The Department could not provide proper documentation showing information was

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uploaded into the National Crime Information Center (NCIC) within 72 hours.

- The Department did not enter information sought by the Violent Criminal Apprehension Program (ViCAP) database as soon as practicable.

Department personnel stated they entered information into the NCIC, however they were unable to provide documentation which would prove compliance due to system capabilities. In addition, Department personnel stated they did not enter information sought by the ViCAP database due to Department officers failing to utilize the database as directed.

Updated Response: Implemented. A copy of the audit was provided to the work unit commanders. Reporting instructions for the Violent Criminal Apprehension Program (ViCAP) were created and disseminated to each work unit. Additionally, a central point of contact at the Statewide Terrorism & Intelligence Center was identified to coordinate and review entries. The ViCAP reports for 2012 and 2013 indicated nine entries each year from Illinois law enforcement agencies relating to cases of unidentified remains and missing persons. Of the 18 entries, the ISP was responsible for one entry in 2012 and two entries in 2013.

13. Ensure all required information is included in the Criminal History Reports.

Finding: The Department did not comply with the ID/DD Community Care Act or the Specialized Mental Health Rehabilitation Act. Specifically, the Department could not locate copies of the parole and/or probation orders for four of 10 Criminal History Reports tested.

Department personnel stated a large volume of reports are processed and in many cases the Department did not hear back from probation officers prior to filing the reports. In other cases, the identified offender was recently placed on probation or parole and no paperwork had been generated by the time the Department filed the reports.

Updated Response: Implemented. The Identified Offender Program (IOP) Unit investigators no longer attempt to obtain parole/probation documents from the individual case agents assigned to the Identified Offender. IOP investigators now have central points of contacts with the Illinois Department of Corrections (IDOC) Chief of Parole and the various county probation departments, which ensures the receipt of the required documents in a timely manner for inclusion in the final report. Additionally, the IOP Unit has recently hired an Information & Technology employee who is updating the IOP computer database, in order for a report to not be shown as completed until a supervisor verifies all required documentation is included with the final Criminal History Report.

14. Comply with the Illinois Administrative Code and the State Prompt Payment Act to ensure vouchers are approved within the required time frame and the required interest is paid. (Repeated-2004)

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Finding: The Department did not exercise adequate controls over voucher processing. Auditors noted the following:

Accepted or Implemented – concluded

- Twenty-nine of 319 vouchers tested, totaling \$1,134,314, were approved for payment from two to 147 days late.
- Thirty-six of 319 vouchers tested, totaling \$1,200,773, accrued a required interest payment of \$23,119, which was not paid by the Department.

Department personnel stated insufficient cost center staffing and competing priorities contributed to the deficiencies noted above.

Updated Response: Accepted. The ISP has reminded staff responsible for processing vouchers of the importance of processing vouchers in a timely manner. The ISP also continues to work with the PSSSC on timely approval of vouchers.

Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, “It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts....” The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the

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Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY12 and FY11, the State Police filed nine emergency purchase affidavits totaling \$1,052,977.00 for the following items:

- \$671,020 for security systems for G8/NATO summits in Chicago;
- \$223,917.00 for various repairs;
- \$118,040 for computer services;
- \$40,000 for extra help to process FOID applications.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time. In July 2012, the Department reported that 20 employees spent the majority of their work time in locations other than their official headquarters.